

Fauquier County Department of Economic Development

2004 Annual Report

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Tourism Coordinator

Amanda Scheps
Executive Assistant
(part-time)

Introduction:

A Year of Strong Business Growth in Fauquier County

This is the first publication of the "Fauquier County Annual Economic Report."

The report shows that Fauquier County experienced an important period of expanding business growth during 2004. With new businesses moving to the County, existing businesses expanding, and renewed growth in the County tourism industry, facts point to the beginning stages of a period of commercial expansion for Fauguier County.

Much of the growth can be attributed to Fauquier County's growing population. With more than 62,000 residents, business growth has followed. According to the records of the Commissioner of the Revenue, Fauquier County issued an increasing number of business licenses in 2004. The Virginia Employment Commission reported that the unemployment rate in Fauquier County averaged 1.8% in 2004, as compared to the State as a whole at 3.1%, and the nation at 5.2%.

The total local property taxes paid in Fauquier County in tax year 2003/04 were \$84,130,743. This figure represented all taxes paid in real estate, personal property, business and professional occupation license, etc. The business base paid in excess of \$12.2 million of that total, representing 14.6 % of the total tax base. Yet, as a percentage of the total taxes paid, the portion paid by business has been declining. This suggests that residential growth is out pacing that of business growth.

The new initiative of Tourism Development has begun to play a significant role in the business growth of Fauquier County. This program, begun as an initiative of the Board of Supervisors at the end of 2003, has shown substantial growth in its first full year of operation. Tourism is being aided by the rapidly growing wine industry that grew by three new wineries in 2004. In total, the tourism and travel trade grew from 85 to 103 businesses in Fauquier County in 2004.

While the business base in Fauquier County and the Town of Warrenton is expanding the commuter base of residents living in the County continues to be large. Estimates place the percentage of residents commuting outside Fauquier County to their places of work is between 52% to 60%. This places a strain on existing roadways and stress on our commuting residents.

In summary, the business base of Fauquier County and the Town of Warrenton is growing. With an expanding business base, Fauquier County can expect to see more balanced economic growth and continuation of a superior quality of life for our citizens



New Business Development:

Best Friends



Prominent Businesses Choose Fauquier County in 2004

With a growing and affluent population base, Fauquier County has enjoyed the addition of a range of new businesses in 2004. The retail sector experienced the highest growth with nationally recognized stores such as Staples, Panera Bread, Starbucks and International House of Pancakes.

Banking Remains Vibrant with New Branches

The addition of Millennium Bank on Main Street in Warrenton has expanded banking opportunities in the County. It has joined an already strong banking community in Fauquier County. Two existing banks, BB&T and The Fauquier Bank, have added to their existing banking services with the addition of two new branches. Additional banking facilities are currently underway or considering locating in the County.

"The Department of Economic Development is an asset to the County and an absolute requirement if there is any desire to increase the economic base in Fauquier County."

Phil Tribel, President

Ross Industries, Inc.

Holdon Street

Tourism, Travel Businesses Add Vitality

The tourism and travel trade sector has been enhanced with the addition of the new Holiday Inn Express located adjacent to the Lineweaver Business Park in Warrenton. The new hotel has added 85 rooms to an expanding accommodations sector. The addition of three new wineries has added to the tax base while providing new venues for visitors and residents to visit. Mediterranean Cellars, Stillhouse Vineyard and Three Fox Vineyard are welcome additions to the Fauquier County viticulture industry.



Medical Services Show Growing Demands of Population

Another of the fastest growing economic sectors in Fauquier County is the medical services sector. The ongoing expansion of The Fauquier Hospital has added vital new and expanded medical services to the citizens of Fauquier County. Additional new services such as after hours and extended hours care are being provided by local medical practices.



The first Urgent Care facility in Fauquier County was opened in 2004. Such services help relieve pressure from the growing demands placed on Fauquier Hospital's emergency room and provide patient care for non-life threatening medical cases during more convenient times for residential families.

Numerous additional new businesses were added to the tax roll. These businesses, such as veterinary services, alpaca farms, landscaping and construction related businesses, and a growing number of home-based businesses show a healthy and growing economic base in Fauquier County.



Business Assistance and Retention:

Fauquier County Retains Critical Businesses in 2004

Assistance and Retention Program Helps Guide Businesses

The Fauquier County Business Assistance and Retention program plays a critical role in assisting local businesses. The two main areas that businesses need assistance with are: understanding and meeting the important County regulatory and procedural requirements that they must comply with; and, the identification of available sites into which they can expand.

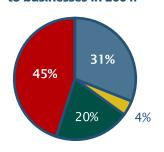
Here are three examples from more than 120 companies that the Department of Economic Development directly assisted in 2004:

Buccaneer Computer Systems and Service

Buccaneer Computer Systems and Service, Inc. is an information technology services firm that provides assistance to both government and corporate clients. The company is headquartered in Warrenton, Virginia with branches in Maryland, North Carolina and

Millennium Bank, The Fauquier Bank, and BB&T Bank established new branches in 2004

Types of assistance provided to businesses in 2004:



- Tourism DevelopmentPolicy ClarificationState and Regional Agency Assistance
- Site Location Assistance

"The ED staff has been very supportive and, in all honesty, have been a primary influence in keeping our firm in Fauquier County."

Gary R. Newell, Chief Operating Officer

Buccaneer Computer Systems and Service

Kentucky. They have grown into a company that employs over sixty people. Buccaneer's COO Gary Newell made a commitment to keep his company in Fauquier County. He achieved that goal by reaching an agreement to move into a new building located in Vint Hill.

Air Serv International

Air Serv International, one of the world's largest humanitarian aid organizations, provides air transportation services to areas of the world experiencing natural or manmade catastrophe. The company moved its headquarters to Fauquier County from California three years ago. The demand for humanitarian aid by air transport is growing. The President of this organization also felt a commitment to Fauquier County, and is moving the company headquarters from New Baltimore to the Lineweaver Business Park in Warrenton.

Piedmont Press and Graphics

Piedmont Press and Graphics, a full service printing and graphic arts company has been in Fauquier County since 1988. When the company needed additional space for its business, the company president, Tony Tedeschi, made the decision to keep Piedmont Press in Fauquier County. Not only did Mr. Tedeschi expand its operation with a new building, he made every effort to keep all work, from design to finish, with other local Fauquier County companies.

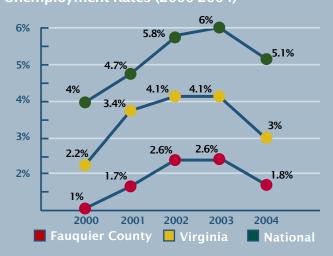
BUCCANEER Computer systems & service, inc.



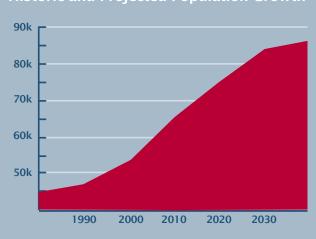


Fauquier County Department of Economic Development: 2004 Fauquier County Business Statistics

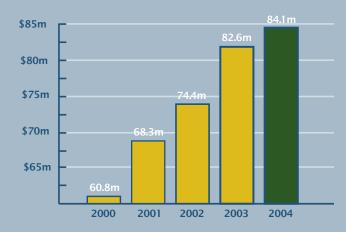
Unemployment Rates (2000-2004)



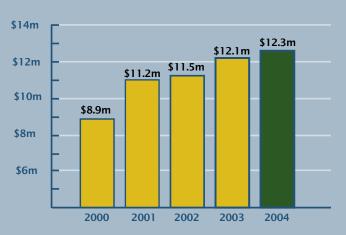
Historic and Projected Population Growth



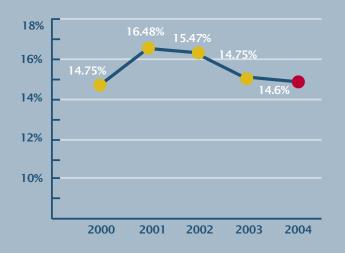
Total Tax Revenue Collected (2000-2004)



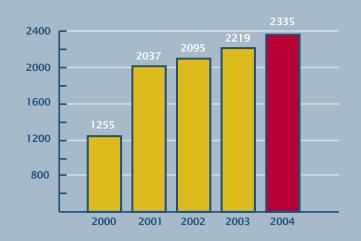
Taxes Paid by Businesses (2000-2004)



Percent of Taxes Paid by Businesses (2000-2004)



Inventory of Business Licenses (2000-2004)



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Tourism Development Division:

Fauquier Tourism Businesses Strong in 2004

In 2003, the Fauquier County Board of Supervisors established a Tourism Development component of the Department of Economic Development. In the first year of the program, tourism represented the third largest economic sector in Fauquier County. The employment directly related to tourism grew by 35% in 2004, representing over 2,800 total tourism related jobs in the County.

Tourism Brings New Businesses to Fauquier County

New business growth from the recently completed Holiday Inn Express increased the number of rooms in Fauguier County by 11%. The expansion of wineries and wine related retail has expanded the tax base while helping to preserve the agricultural nature of in Fauquier County.

New Tourism Businesses

| | 03 | 04 |
|--------------|----|----|
| Attractions | 1 | 2 |
| Lodging | 0 | 1 |
| Restaurants | 3 | 8 |
| Retail Shops | 5 | 13 |
| Wineries | 1 | 3 |

"Our bookings were up 22% and this is in no small part due to the assistance we received from the Fauquier County Department of Economic Development and its Tourism Division." John Hearty, Owner Grey Horse Inn, The Plains

Tourism Efforts Reach Out To County Residents

Our tourism department understands that tourism is not limited to those living outside Fauquier County. We've launched several initiatives aimed at helping residents learn about and take part in the varied activities being offered. A new tourism web site has been created and is updated regularly with new programs and activities to promote visits by non-residents while also providing information to residents.

In addition to a developing web site, several other initiatives have been developed. A series of "Getaway Packages" have been developed to encourage visitors to come to Fauquier County. A "gift card" program is in place to promote local retail, restaurants and wineries. An educational program entitled "Concierge in a Box" has been developed for local accommodation staff to provide education about the attractions and benefits of visiting Fauquier County.

Agriculture Benefits from Tourism Initiatives

Agriculture is also benefiting from tourism. Programs such as the annual "Farm Tour" and the "Piedmont Food and Farm Show" are promoted each year. The expanding "boutique" farming efforts, such as corn mazes, mushroom production, specialty cheese making and cut flower production benefit from a strong tourism program. Interesting information can be found in our newly developed tourism newsletter, "Fauguier County - Virginia at its Best."

Visits to Fauquier County's Tourism website:

| 2003 | 9,254 visits |
|------|---------------------|
| 2004 | 22,441 visits |

in Fauguier County: 102

| | U3 | 04 |
|--------------|----|----|
| Attractions | 1 | 2 |
| Lodging | 0 | 1 |
| Restaurants | 3 | 8 |
| Retail Shops | 5 | 13 |
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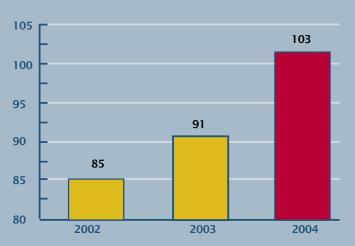




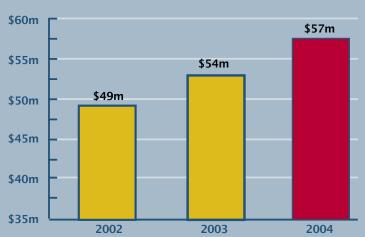
Fauguier County Tourism Developments in 2004:

- Developed series of Fauguier County
- Designed series of "Getaway
- Created unique 'Gift Card' program
- Identified and showcased possible

Tourism Related Businesses in Fauquier Co.



Tax Revenue Generated from Tourism (in millions)





online at ShopHereFauquiercom

In 2004, the Fauquier County Board of Supervisors asked the Department of Economic Development to oversee the creation of a new 'buy local' campaign to encourage county residents to support the merchants that have made a commitment to Fauquier County.

The new "Shop Here Fauguier" initiative, designed in conjunction with Flash Point Communications located in Warrenton, will be implemented in 2005 through a wide range of promotions and media. The program will also feature a new 'Shop Here Fauquier' website located at www.shopherefauquier.com.

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Special Events:

Economic Development Supports Community Business Events in 2004

Each year, the Fauquier County Department of Economic Development is directly involved in several business events and activities. Working in concert with other community organizations, these events give County government an opportunity to add to the sense of community and cooperation among local businesses – both large and small.



Each year the State of Virginia celebrates the contributions of businesses to the overall wellbeing of the State. Fauquier County participates by hosting an event designed to thank our local businesses. In 2003, the event was co-hosted by Fauquier Hospital. In 2004, it was co-hosted by the Fauquier County Chamber of Commerce. Both events were well attended by a broad cross-section of the local business community.

Business Expo Provides Outreach

Each year since 2002, the Department of Economic Development has sponsored a booth at the Annual Chamber of Commerce Business Exposition. This event provides a unique opportunity to convey the business assistance services offered by Fauquier County directly to Fauquier County businesses and residents. The focus of this year's booth will be the newly initiated Fauquier County "Shop Here Fauquier" Campaign, designed to encourage local

residents, businesses and government to make as many purchases as possible in Fauquier County.

Businesses Sponsor Annual Holiday Reception

In December, the Department of Economic Development facilitated the Third Annual Holiday Business Reception at the Black Horse Inn in Warrenton. This event, paid for by local business contributions, is an opportunity for businesses to come together during the holidays to celebrate the year and to network in preparation for the upcoming year.

Working Together Charity Golf Tournament

In 2004, the Department of Economic Development was given the opportunity to work with the Working Together Committee, a local charity organization of county and school employees, to develop and hold its first Annual Charity Golf Tournament. The tournament was strongly supported by local businesses, with Dominion Virginia being the event sponsor. All funds raised at this event will remain in Fauquier County to help a wide variety of local individuals and organizations in need. The tournament will be an annual charity event to be held in Fauquier County.



The Third Annual Holiday reception was held at Black Horse in Warrenton

Fauquier County Department of Economic Development

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